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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY East Germany

REPORT

SUBJECT Weekly Summary

DATE DISTR.

7 MAY 1958

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Mission of new Soviet Ambassador to E. Germany and Soviet economic influence; Warsaw Pact; Soviet ties to China; Polish military budget; East German chartering of vessels. Ministry of Ship building Industry in E. Germany.

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REFERENCES

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E. Navy

I. Inland Navigation

The USSR is trying to intensify passenger traffic on inland waterways by mass production of small Diesel passenger vessels. In particular, this traffic is to interconnect cities with their suburbs. The first vessel of this type, RAKETA, average speed 37,8 knots, was employed in line traffic between Jorki and Kazan [redacted] (press).

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II. GDR

1. Merchant Marine

According to a press report, the VEB Deutsche Seereederei Rostock was ordered by the GDR Ministry for Foreign Trade to investigate into possibilities for chartering tonnage presently not being utilized [redacted]. The present tonnage demand of the GDR was reported to exceed 250,000 GRT.

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(Comment: The report is interesting insofar as tonnage available in the GDR has not been utilized recently. The 10,000-ton freighter FRIEDEN f.s. has been berthed in Warnemuende harbor [redacted]. There are allegedly no orders for the freighter available. GDR delivery firms prefer to execute their export deliveries with [redacted] vessels via Hamburg on the grounds that, in the GDR, goods were handled without care as a result of high work quotas. It is assumed that the report was launched because of the following reasons:

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Either for a mere propagandistic effect with a view to the downward tendency of the ocean freight market; or because the GDR determined on the basis of estimates [redacted] that expenses of the Deutsche Seereederei were too high and that it would be more economical to use Western charter tonnage (press).)

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2. VEB Schiffbau Projektierungs- und Konstruktionsbuero
Formerly: Zentrales Entwicklungs- und Konstruktionsbuero (ZEK), [redacted]

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The VEB Schiffbau Projektierungs- und Konstruktionsbuero (ship construction planning bureau) (VEB SPK) was located at 129 Seelenbinderstrasse in Berlin-Koepenick, telephone No 650281. It was subordinate to the HV Schiffbau (shipbuilding) in Berlin (chief: Herr Homburg).

a. The VEB SPK was headed by Naval Constructor Wilhelm Stollberg [redacted]. The following divisions were directly subordinate to the VEB management:

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Cadre Div Frau Gertrud Diel, [redacted]
Labor Div Otto Kroschel, [redacted]

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Commercial Management: Fraulein Erika Huebner [redacted] 25X1

Accounting Office : Walter Mengs [redacted]

Bureau for Inventions: Karl Martin [redacted]
(patent bureau)

Central Office for : Erwin Monsler
Standardisation :

Planning Div : Mietusch [redacted]

Research and Development : formerly Ing Rudolf Gueldner. 25X1
Div :

Technical Library : Frau Gertrud Wille [redacted]

Photostats and Photo- Gueldner
graphic Laboratory :

Interpreter Section : Henke, [redacted]

Library : Ursula Behrend [redacted]

Archive : Pinous [redacted]

b. Dr Ing Fritz Stateczny [redacted]

Section Technical Construction Ships (TKS):
Mechanical Ing Herbert Ulbrich. 25X1

Section of Machine : Ing Fritz Link
Construction (TKM) : member; [redacted]

Section Furnishing (TKA): Karl Heinz Niwa [redacted]

Section Norms (TKN) : Ing Erwin Monsler [redacted]

Calculating Section : Ing Albert Schmidt
Ship Construction (TKPS) :

Calculating Section : Ing Therenin
Machine Construction (TKPL) :

Electro Section (TKE): Ing Hans Gerlach [redacted]

Planning Section : Egon Giersch [redacted]

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- c. Attached to the VEB were the Bureau for Planning of Shipyard Installations, in Berlin; the Bureau for Planning of Winches and Equipment, and the Model-Testing Tank Establishment Berlin-Karlshorst.
- d. The VEB maintained also connections to the Wolgast Engineering Bureau; the Institute for Engine Construction, formerly Rosslau, now Ludwigsfelde, chief Ing Boehme; and the Machine Factory Torgelow.
- (1) 10,000-ton freighter type IV (Warnow Shipyard) ordered by the USSR. Instead of the planned 4 engines (totaling 7,200 HP, 14 knots), vessel was furnished with turbine plant, probably of 2 x 5,000 HP, in order to reach speed of 17 knots.
 - (2) 8,000-ton coal/ore freighter (Neptun Shipyard);
 - (3) Whale factory ship YURI DOLGORUKI (Warnow Shipyard);
 - (4) Railroad ferry (Neptun Shipyard);
 - (5) Inland Freighter (intermediate order);
 - (6) 1 floating dock for Wismar, project postponed for undetermined period.
 - (7) Reconstruction of D 2500 Mercedes Diesel, 8 cylinders (and/or 4 cylinders), in cooperation with Engine Plant Ludwigsfelde. Major deficiencies on crank shafts.
 - (8) Tests with 750-HP opposite-piston engine (special difficulties with piston deliveries).
HVA/See apparently particularly interested in projects (7) and (8).
 - (9) Orders for training ship and 1 ocean-going tug were postponed.
 - (10) Ship's turning cranes with a capacity of 5,9 and 13 tons.
 - (11) Cable burying vessel.

f. General

The large shipyards have for some time been requesting that the VEB Projektierungs- und Konstruktionsbuero be dissolved, so that they can handle the projects by themselves. A decision on this question is not expected in the near future; it is, however, believed that drastic personnel cuts will be effected

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F. Preliminary and Paramilitary Training

Poland

Interior Troops

In Nov 1957, one KBW regt, [] was stationed in Angerburg, in a section of the barracks southwest of Loetzener Strasse (Ul. Gisycho). Same installation had previously been occupied by a WOP unit which had been transferred in winter 1956/57. The regt was fully motorized and equipped with about 300 vehicles, incl jeeps, GAZ-67 Bs and GAZ-69s. Soldiers wore dark-blue cap bands. Commander Major Krafosik and at least five captains of the regt were allegedly of Russian nationality. Unit has been observed at infantry and motor vehicle training at various locations of Kreis Angerburg. No hv weapons observed. In add to the KBW regt, one hv arty regt and two inf battalions were stationed in Angerburg []

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(Comments: Withdrawal of the WOP-unit from and quartering of a KBW-regt in Angerburg reported for the first time. [] observed in Warsaw in 1954. Number of officers of alleged Russian nationality with this Polish KBW regt stationed in immediate vicinity of Soviet Border, worth noting. Major Krafosik possibly identical with one Lt Col Krafosik, who had been signal officer with 6th KBW Regt (Kattowitz) in 1949.)

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The appointment of economic expert Pervukhin as Soviet Ambassador in East Berlin was obviously effected under the impression of the violent discussions on the future economic course of the GDR at the 35th Plenary Session of the SED Central Committee. Moscow is highly interested in an overcoming of the present stagnation of GDR economy, mainly because the fulfilment of export obligations of the GDR toward underdeveloped countries is of great political importance. It is assumed that Pervukhin has been ordered to control the reorganization of the economic administration of the GDR and, particularly, to make for a raising of productivity in the field of machine, electric and chemical industries. In addition, the GDR economy is to become more closely connected to the East Bloc economy, while norms and standards are to be coordinated to Soviet norms as soon as possible.

Moscow probably considers predominantly organizational measures, assuming that such measures would considerably improve the East German economic situation. It is undetermined to what extent Pervukhin also takes this view. It appears that an essential strengthening of the Soviet Zone economy would depend on an extensive Soviet economic aid; it cannot be said whether or not the USSR is ready for such a support. No principal change of the economic course of the GDR as f.e. toward a certain liberalization, is expected to result from Pervukhin's appointment. At the most, it is possible that collectivization will proceed at a reduced speed and that the present sharp course toward the workers will be moderated, since prevalent tensions have an unfavorable effect on the planned raising of productivity. Even a compromise in the question of norms would already considerably complicate the necessary reduction of prime costs.

Ulbricht apparently believes that prevailing difficulties can be overcome by increased pressure in various fields. It is quite possible that, regardless of their common ideological basic attitude, there will be differences between Ulbricht and Pervukhin who holds practical economic views and may lend an ear to SED party technocrats, thus strengthening their position within the party.

It cannot yet be said, however, if Pervukhin will be successful in his task to follow a line which reconciles the political concept of the Ulbricht course with economic requirements. Neither can any conclusions be drawn with regard to the outcome of the struggle within the SED leadership.

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Possibilities for the future economic course are very restricted and Pervukhin's relation to the SED leadership is principally determined by Khrushchev's directives. However, Ulbricht is still considered the most reliable guarantee for the Soviet status quo policy.

So far, Pervukhin had been chairman of the State Committee for Foreign Trade Relations. On 4 July 1957, he had been reduced from his position of full member of the Central Committee Presidium of the Soviet CP to candidate. His new assignment does not represent a promotion but rather a position corresponding to the previous one. There is also reason to believe that Khrushchev wanted to remove this leading party technocrat from the central board. Pervukhin's new task, the successful carrying-out of which, for the abovementioned reasons, is most improbable, might turn out to be the beginning of his final degradation.

2. German Question at Talks between Rapacki and Gromyko in Moscow

The talks in Moscow touched also upon the German question. Poland gained the definite impression that, for the time being, Moscow does not consider any alterations in the question of the German reunification.

Rapacki had to make a binding declaration, according to which Poland was to react quickly and definitely negative on statements by [redacted] oppositional circles that, in this question, "Poland's attitude differs from the Soviet point of view" [redacted]

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(Comment: Polish press reports, as well as Gomulka's Times interview, - in spite of the latter's being adapted to the [redacted] public opinion - indirectly confirm this Soviet move.)

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3. Marshal Malinowski's Visit to the GDR

Marshal Malinowski stayed in the GDR from 12 to 14 February. In talks with Gen Zakharov, Commander-in-Chief of GSF, and GDR Defense Minister Stoph he discussed questions of military cooperation between the Soviet Army and the NVA and the withdrawal of 40,000 Soviet soldiers. On 12 February, Malinowski, in East Berlin, lectured to NVA polit officers and SED functionaries in charge of military questions. In his speech, he stressed the necessity of cooperation between the working classes and their armed forces and stated that, naturally, the latter had to submit completely to the political concepts of a Marxist-Leninist Party [redacted]

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4. Meeting of Military Committee of Warsaw Pact in Cottbus

On 2 February, the Military Committee of the Warsaw Pact held a secret session in Cottbus. Participants included Marshals Grechko and Konyev and Generals Zakharov and Antonov. Discussions concentrated on the following questions: Reshuffle of Soviet forces in the GDR; and depot and supply lines of Soviet troops in the GDR in [redacted] through Poland [redacted].

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(Comment: This is the only report on the meeting.)

5. Closer Cooperation between Soviet and Red-Chinese Navies

On the basis of military agreements reached on occasion of Mao's visit to Moscow, two modern Soviet submarines were turned over to Red Chinese navy units presently stationed in Vladivostok. The Red-Chinese Navy is authorized to utilize Vladivostok harbor. Chief of the Red-Chinese Navy command stationed there is Admiral Kuo Li Shug [redacted]

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(Comment: This info has still to be confirmed but corresponds to other reports, according to which, on occasion of Mao's visit to Moscow, an agreement had been reached on a joint organization of Far East defense from North Vietnam as far as Siberia. Within the framework of these measures, reinforcements were to concentrate on the Vladivostok area.

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[redacted]
Peking's new initiative in Korea - withdrawal of Red-Chinese units from North Korea - should be judged with a view to this background.)

See also supplement.

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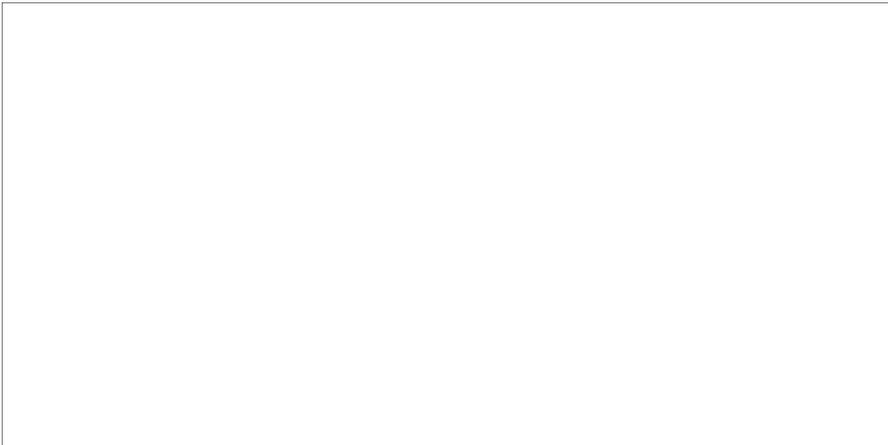
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B. Armed Forces

I. USSR and "United" Forces (Warsaw Pact)

Higher Echelon Organization and Personnel

On 18 Feb, Army Gen Mikhail Ilyich Kazakov mentioned as commander Soviet Forces in Hungary.



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II. Poland

General

On 21 Jan 1958, Sejm discussed Polish National Budget for 1958. A sum of 12.5 billion zloty have been allotted for "National Defense". (Tribuna Ludu, 22 Jan 1958).

(Comment: As compared to 1957, expenses for Armed Forces increased by 2.2 billion. However, most of this sum is swallowed by price raise of Polish armament industry. In view of the reduction of Polish Armed Forces in 1956 and 1957, the raise of the Armed Forces' budget is worth noting.)

III. Hungary

General

In his "statement of account" rendered to the Hungarian Parliament in January 1958, Kadar stated that completion of general reorganization of Army in second half of 1957, and resumption of its normal peace-time activities was an important national event (28 Jan 1958).

(Comment: Info confirms reports received acc to which the reorganization has mainly been accomplished with regard to personnel and regular training had started. Kadar did not comment on the status of equipment and armament which, acc to available information, is still insufficient.)

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C. Army**I. USSR (GDR)****1. Troop Movements**

Acc to unconfirmed report, retransfer of a Div from northeastern portion of GDR to USSR was to start on 24 Feb 1958 [redacted]

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(Comment: Starting in late Feb of announced withdrawal from the GDR of 2 Mecz Divs, 3 Arty Brigs, 1 AAA Div, and 5 independent AAA units, presum affecting Arty Brigs of former Rifle Armies and Mecz Divs/Third and Fourth Gds Mecz Armies, believed possible.)

2. Training

Reports received prior to 18 Feb 1958 confirm intensive training outside of posts. Increased winter training at reinforced company and battalion level observed at posts, near known tng areas and at tng grounds Altengrabow, Jueterbog, Zeithain, Koenigsbrueck, and Letzlinger Heide. Following units observed:

Prior to 14 Feb, elms Mtz Rifle Regt/11th Gds Tank Div in Koenigsbrueck;
 10 - 13 Feb, arty and tank units 9th Tank Div in Zeithain;
 11 - 13 (?) Feb, elms 25th Tank Div, incl tank and arty units, in Letzlinger Heide;
 3 - 17 Feb, elms 1st Mecz Div and 2d Army Arty Brig alternately in Buchow-Karpsow area;
 7 Feb, elms 20th Gds Mecz Div (Tank), incl hv Tank units in Zeitz forest;
 11 - 12 Feb, u/1 units, incl tanks and arty in Rathenow area.

Alternate firing practices of tank, arty, and AAA units at firing ranges Altengrabow, Jueterbog, and Wustrow were continued. Observation of 13 shpmts from Altengrabow area betw 10 and 12 Feb possibly indicates termination of exercise held in this area. Betw 15 and 18 Feb, 3 shpmts each observed from and to Jueterbog. On 16 Feb, elms 32d AAA Div also transferred to Jueterbog in two shpmts. Betw 15 and 18 Feb, additional 10 shpm, incl elms 2d Gds AAA Div, 31st AAA Div, and AAA Regt/20th Gds Mecz Div (Tank) went to Wustrow [redacted]

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(Comment: Increased training outside posts with exericeses up to reinforced battalion level corresponds with training schedule. Further increase of winter training expected.)

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3. Logistic

On 12 Feb, 10x5-axle tank-transporters (trailers), each axle with four twin-wheels, detrained at Leipzig-Taucha and towed to Leipzig-Heiterblick barracks (8242) by three prime movers [redacted]

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(Comment: Since Fall 1957, presum similar flat-bed trailers observed in Frankfurt/Oder-Berlin area carrying T-54s, 2 such trailers at Krasnitz cavalry school (2171), and 1 at Wensdorf tank repair shop.)

II. Poland

Training

Acc to reports from various parts of Poland and from Polish-occupied Germany, drafts for reserve training and reduced basic training took place in early Jan [redacted]

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(Comment: Reduced basic training of surplus of age classes due for military service and training of reservists continues acc to schedule. This training possibly intensified, since, acc to reports from an Upper Silesian Landkreis, all men of the 1913-1931 age classes, who had participated in basic training, were drafted, in early Jan, for 2 months, while untrained members of these age classes were drafted for 3 months. Germans who had served with the Wehrmacht were also drafted.)

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D. Air Force

I. GDR

Order of Battle

NVA/L:

In the course of 1957, the two fighter divisions of the NVA/L were considerably reinforced by modern fighters of MiG-17C type. At present, the actual strength is at least 70 MiG-17 Cs and about 65 MiG/UMiG-15s. The number of MiG-17s is expected to be further increased. If intensive training is continued, by late 1958 both divisions will have fighting qualities equal to those of the Polish and Czech Air Forces. According to a still unconfirmed report, a third fighter division is possibly being activated.

II. Poland

Location of Troops

In late November 1957, 40 MiG-15s and 1 Il-28 were observed at Stolp/Reitz (54 29N/17 06 E) airfield.

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(Comment: Stolp/Reitz airfield is still occupied by a Polish fighter regiment. In September 1957, 30 MiGs were observed at Wormditt (54 08 N/20 06 E) airfield, while at the same time some other MiGs engaged in air activity including firing at towed sleeve targets.)

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(Comment: Wormditt airfield is still occupied by a Polish fighter regiment. In late January 1958, air activity by jet fighters of two different types, including MiG-15s was daily conducted at Lask (51 34 N/19 10 E) airfield)

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(Comment: A Polish fighter regiment of the Warsaw fighter division is assumed to be stationed at Lask airfield. It is assumed that some MiG-17s are available with this regiment.)

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